



NEWS RELEASE

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FOR IMMEDIATE RELEASE
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FEDERAL INDICTMENT CHARGES TWO WITH DEFRAUDING THE STATE OF ALASKA

Anchorage, Alaska – United States Attorney Nelson P. Cohen announced today, January 16, 2008, that Nezar Khaled “Mike” Maad and Imad Salim Hereimi of Anchorage, Alaska, have been indicted by a federal grand jury in Anchorage on charges based upon Maad’s use of his position as a state employee to defraud the State of Alaska of honest services and, in effect, obtain money to finance a start-up construction company.

The 22-count indictment named Maad, age 48, of 3501 Lakeshore, Unit No.2, Anchorage, Alaska, and Hereimi, age 48, 13007 Montego Circle, Anchorage, Alaska, as defendants.

The indictment alleges that Maad was employed by the State of Alaska as a Publication Specialist II for Financial & Management Services, a branch of the Department of Health and Social Services (DHSS) between January 27, 2003 and May 26, 2006. Maad’s duties included writing, planning, and designing publications, brochures, forms, business cards, and other printed material for publication and use by the DHSS. Horizon Graphics was a licensed printing company in Anchorage, owned by Hereimi, which had no printing equipment, and was operated out of Golden Donuts, 2213 East Tudor Road, another business owned and operated by Hereimi.

Maad and Hereimi carried out the scheme by using Maad’s position as a State of Alaska employee to obtain print jobs needed by the State of Alaska and arranging for the State’s order to be completed at a printing company other than Horizon Graphics for a set price, without Maad disclosing his relationship with the State of Alaska. Maad would then pay for the printing order with cash or a credit card issued to Hereimi d.b.a. Horizon Graphics, and the defendants would then create a new invoice issued from Horizon Graphics. The new invoice would be submitted to the State of Alaska with an inflated price, often times double the original invoice, but with no value added to the project by Horizon Graphics. The payments from the State of Alaska were mailed to Hereimi and deposited into an Horizon Graphics bank account at Wells Fargo. Maad and Hereimi were hoping to finance a construction company called Horizon Construction.

Alaska state law does not allow a public employee to use his official position for personal gain; a state public employee also may not render services to benefit a personal or financial interest or engage in employment outside his agency, if the outside employment or service conflicts with the proper discharge of official duties.

Assistant United States Attorney Retta Randall, who presented the case to the grand jury, indicated that for each count, the law provides for a maximum total sentence of 20 years in prison, a fine of \$250,000, or both. Under the Federal Sentencing Guidelines, the actual sentence imposed will be based upon the seriousness of the offenses and the prior criminal history, if any, of the defendants. An arrest warrant has been issued for Mr. Maad in this case due to his failure to appear for a different federal court hearing on January 14, 2008. Mr. Hereimi is being served with a summons to appear in court.

The Alaska State Troopers conducted the investigation leading to the indictment in this case.

An indictment is only a charge and is not evidence of guilt. A defendant is presumed innocent and is entitled to a fair trial at which the government must prove guilt beyond a reasonable doubt.

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